

case has been referred to the OGC for legal action, no further action will be taken by the County Supervisor, District Director or other servicing official without prior clearance from OGC. If the case has been referred to the U.S. Attorney, clearance with the U.S. Attorney will be obtained through the OGC. All FmHA or its successor agency under Public Law 103-354 employees will document actions taken to service a loan in the running case record in the borrower's FmHA or its successor agency under Public Law 103-354 file(s). When a servicing action affects a borrower's account (e.g., a foreclosure action is pending), the appropriate FmHA or its successor agency under Public Law 103-354 servicing official will notify the Finance Office.

**§ 1965.5 Servicing certain insured Farm Ownership (FO) loans.**

(a) *Servicing actions.* When an insured FO mortgage running to the lender as mortgagee is not held by the FmHA or its successor agency under Public Law 103-354 under trust assignment, or declaration of trust, or in the insurance fund (called insured FO mortgage held by the lender in this subpart) and a written subordination or partial release or other servicing document is requested, the document will be executed by the holder on a form prepared or approved by OGC. In those cases, execution of the document will constitute consent.

(b) *Execution of documents.* The County Supervisor is authorized to execute on behalf of the Government, all necessary forms, satisfactions, releases, and other documents required to complete any transactions in this subpart after the transaction has been approved by the appropriate approving official. The documents will be executed on behalf of the United States in the following form:

(1) "United States of America," when the mortgage names the United States as mortgagee, or when a mortgage running to the lender is not under a trust or declaration of trust and the note is held by the insurance fund.

(2) "United States of America, for Itself and as Trustee," when an FO mortgage is held by the FmHA or its successor agency under Public Law 103-

354 under a trust assignment or declaration of trust, regardless of whether the note is held by a lender or by the insurance fund.

**§ 1965.6 Consent of lienholders.**

When this subpart requires the consent of other lienholders, consent will be obtained and furnished in writing to the FmHA or its successor agency under Public Law 103-354 by the borrower before the FmHA or its successor agency under Public Law 103-354 enters into a transaction which affects its security or its lien. This consent will, unless otherwise provided in a State Supplement, include an agreement as to the disposition of any funds involved in the transaction.

**§ 1965.7 Definitions.**

As used in this subpart, the following definitions apply:

(a) *Borrower.* When a loan is made to an individual, the individual is the borrower. When a loan is made to an entity, the cooperative, corporation, partnership, or joint operation is the borrower.

(b) *County Supervisor* also includes Assistant County Supervisor who has written delegated authority to carry out purposes of this subpart.

(c) *District Director* also includes Assistant District Director who has written delegated authority to carry out purposes of this subpart.

(d) *FmHA or its successor agency under Public Law 103-354 loans, FmHA or its successor agency under Public Law 103-354 accounts, FmHA or its successor agency under Public Law 103-354 interests, FmHA or its successor agency under Public Law 103-354 security, FmHA or its successor agency under Public Law 103-354 debts* and similar terms apply to indebtedness owed to, or insured by, the United States of America acting through the FmHA or its successor agency under Public Law 103-354, and to related security instruments.

(e) *Farmer Program loan* includes only Farm Ownership (FO), Operating (OL), Soil and Water (SW), Economic Emergency (EE), Emergency (EM), Recreation (RL), Economic Opportunity (EO), Softwood Timber (ST) and Special Livestock (SL) loans, and/or Rural